

## **Preface - Calendar Year 1998 Income Data Match**

HUD has been working hard to improve federal housing programs and increase the availability of affordable housing and community development resources throughout America. An important part of this effort is strengthening the integrity of its rental assistance programs by ensuring that the programs serve only eligible households with the correct amount of rental assistance. HUD is undertaking the Tenant Income Verification (TIV) Program to assist Public Housing Agencies, owners, and agents (collectively referred to as POAs) in determining the correct annual income and rent payment for tenants. The TIV Program does not change POA income verification responsibilities, but is intended to provide POAs with a tool to assist in the income verification process.

POA resolution of the identified potential income discrepancies is essential to the success of the program. HUD's priority in its first year of nationwide computer matching is to determine baseline income discrepancy resolution and inaccurate rental assistance levels. HUD expects to use information learned about the process during this baseline year to fully and more effectively implement the 1999 computer matching income verification process. This will assist HUD to ensure that rental assistance is targeted to families in amounts consistent with governing legislation and regulations. POAs should quickly resolve all identified potential income discrepancies and report on the results. This will facilitate the establishment of baselines and help further HUD's efforts to support POA income verification activities. HUD will not require POAs to make rental adjustments for prior years for income underreported in 1998 that is identified through this process. However, residents have been advised that if they overstated their income, they may be entitled to a rent reduction or credit in the future. They were also advised that if they underreported their income, their rent may rise in the future. Further, POAs may refer cases for enforcement if there is an indication that residents deliberately misreported their income.

HUD urges POAs to exercise flexibility in making any decisions with respect to the recovery of excess rental assistance. HUD is not encouraging any POA to recover excess rental assistance identified as a result of the 1998 computer matching income verification process. Furthermore, HUD Program Offices will not penalize or reward POAs for their decisions to not pursue or pursue recovery of excess rental assistance. When a POA elects to pursue recovery of excess rental assistance, the POA must follow all appropriate due process procedures and existing policies, procedures, and guidelines.

HUD's Office of Inspector General (OIG) will focus any review of POA's income verification on internal controls. If POAs identify individuals who egregiously abused rental assistance programs, the POA may contact the OIG at 1-800-347-3735. POA staff must exercise discretion in determining egregious abuses by considering circumstances, e.g., the extent of abuses and likely abuses of other Federal programs. The HUD OIG does not provide specific thresholds for investigative referrals. See Appendix I of this Guide regarding referrals to the Inspector General.